

*Here's the Credit Union
info. The four organizations
are listed on the
other side!*

Credit union for women the bankers won't help



Patricia Walton (left), Linda Jupiter (center) and Jackie Bouchard of the Bay Area Feminist Federal Credit Union

By Bea Pixa

When a coalition of feminists decided to start a credit union, they were determined to establish rules unlike those followed by male-dominated finance institutions.

For openers, none of the organizers had significant financial experience. One woman had helped found a feminist credit union in Washington, D.C., another ran several businesses of her own. Apart from that, they were "winging it" with high hopes and ideals.

According to its supporters, the Bay Area Feminist Federal Credit Union at 944 Market St. is now a year old and in glowing financial health, with assets of more than \$250,000 and more than 675 members who have paid \$1 to join and bought at least one \$5 share in the enterprise.

The four organizations that make up the credit union vary — sometimes considerably — in views and goals. Some of the women are lesbians, some are heterosexual, and some are united by racial ties. Representatives from three of the four groups turned up together to be interviewed about their mutual project: Linda Jupiter of San Francisco Women's Centers, Jackie Bouchard of Golden Gate NOW, and Patricia Walton of Black Women Organized for Action. (The fourth organization is Daughters of Bilitis.)

Jupiter works as a production coordinator for a publishing company, Walton is an office administrator for a child development center and Bouchard is an organic chemist for Stanford Research Institute. They say they are not especially typical of the credit union's membership. "I'd say about half of the working members are not into 9 to 5 jobs, but rather, into nontraditional ways of living," says Jupiter.

The trio teamed up for the interview because the credit union credo pointedly seeks to underplay individual personalities. Though officers such as a president, secretary and treasurer are duly noted on official forms to appease federal regulatory agencies, the credit union really operates as a collective, with each member granted an equal voice in decision making. Except for the treasurer, all officers rotate functions. Three part-time staffers are paid the same salaries, and the rest all volunteer their services.

The federal government requires that a credit union have a well-defined field of membership with a common bond. "Our bond is feminism," says Jupiter, still surprised that government bureaucrats found it acceptable.

The feminist-run institution has gone to great lengths to incorporate a liberated philosophy into its lending practices. "Over 64 per cent of the women who borrow from us couldn't go anywhere else to get it," Jupiter says.

Amounts loaned have ranged from \$50 to \$6,000. The size of a woman's credit union savings account does not necessarily determine the amount she may borrow. Even with a mere \$5 share, says Walton, "If she can convince us that she'll repay the loan and support the organization by saving with us, she could get \$6,000." Almost all funds on deposit are loaned out.

"We naturally encourage every woman to support us," Jupiter says. "If they don't put money in savings accounts, there's none around to pay for the loans." (Savings accounts earn 5 per cent, paid with interest compounded quarterly.)

Imbued with its deep commitment to sisterhood, the credit union sometimes make loans to women who have recently lost their credit standing through separation or divorce. "These women can't get a loan anywhere else, and sometimes come to us just to establish credit," says Bouchard.

It is possible for women to borrow if they are penniless. Prospective borrowers may be granted loans with one or even several co-signers. Sometimes loans are given with the understanding that the woman will come to the credit union for financial counseling.

"We try to work with women so they learn to have control of money, instead of having money controlling them," says Jupiter.

While most lending institutions do a thorough investigation of prospective borrowers through the credit bureau, the feminists only check source of income, employment, and two references. Organizations that use the credit bureau for information are also expected to supply information, explains Bouchard, "and we did not want to give out data on the women who came to us for help."

Interest on loans is 1 per cent a month on the unpaid balance, and there are no penalties for early payment. "If you repay a loan in two days," says Jupiter, "then you just pay two days' interest on the principal."

Typically, other institutions have rigid rules for borrowers. The credit union takes a much more relaxed view. "For example," Bouchard says, "the other lending institutions say loan applicants have to be employed at least a year, or have lived in The City at least a year. Also, you can't go to most banks with an income of \$3,000 a year and get a loan."

These factors are not always obstacles to the feminist credit union. "We've even given loans to welfare women," says Bouchard, "and to divorced mothers without jobs, if we could verify that they received child support with regularity."

"We don't consider the traditional sources for determining the feasibility of lending money," adds Jupiter. "We put a lot of emphasis on a one-to-one meeting. The important factor is that the women have the ability to repay the loan."

The system seems to work. The credit union claims a delinquency rate of less than 3 per cent, which Bouchard says is especially low.

Loan applications are also handled in an unorthodox manner. The form is turned over to a credit approval committee, with all personal references to the applicant — such as age, name and address — deleted. Should the loan be refused, the form then goes on to an executive committee for further review, and the decision may be reversed.

Many loans go to women starting feminist businesses which might not be approved by "establishment" organizations. One woman wanted to borrow — and was granted — travel fare to attend a feminist convention. Some borrow the down payment for homes of their own, or closing costs.

"By joining our credit union," says Jupiter, "women are making a political statement. They're saying that they support women."